

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-01773A
Arizona Electric Power Cooperative, Inc.
PO Box 670
Benson, AZ 85602

RECEIVED
APR 18 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Electric

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

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4-18-11

4-19-11

COMPANY INFORMATION

Company Name (Business Name) <u>Arizona Electric Power Cooperative, Inc.</u>		
Mailing Address <u>PO Box 670</u>		
	(Street)	
<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>
(City)	(State)	(Zip)
<u>502-586-5109</u>	<u>520-586-5343</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>1000 S. Hwy. 80</u>		
	(Street)	
<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>
(City)	(State)	(Zip)
<u>Same as above</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

X Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u>Joe King</u> <u>Sr. Financial Analyst</u>			
	(Name)		(Title)
<u>1000 S. Hwy 80</u>	<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>
(Street)	(City)	(State)	(Zip)
<u>520-586-5129</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>Jking@ssw.coop</u>			
On Site Manager: <u>Patrick Ledger</u>			
	(Name)		
<u>3525 N. Hwy 191</u>	<u>Cochise</u>	<u>Az</u>	<u>85602</u>
Street)	(City)	(State)	(Zip)
<u>520-586-5109</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
 <u>Pledger@ssw.coop</u>			
Email Address			

Statutory Agent: <u>Rusing and Lopez PPLC</u>			
(Name)			
<u>6262 N. Swan Rd., Suite 200</u>	<u>Tucson</u>	<u>Az</u>	<u>85718</u>
(Street)	(City)	(State)	(Zip)
<u>520-792-4800</u>	<u>520-529-4262</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Same as Above</u>			
(Name)			
<u></u>	<u></u>	<u></u>	<u></u>
(Street)	(City)	(State)	(Zip)
<u></u>	<u></u>	<u></u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>plopez@rusingandlopez.com</u>			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input checked="" type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input checked="" type="checkbox"/> STATEWIDE (Wholesale Sales of Electricity)		

3

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☐ **Electric**

☐ Investor Owned Electric

X Rural Electric Cooperative

☐ Utility Distribution Company☐ Electric Service Provider☐ Transmission Service Provider☐ Meter Service Provider☐ Meter Reading Service Provider

☐ Billing and Collection

☐ Ancillary Services

☐ Generation Provider

□ Aggregator/Broker

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

Total number of customers

Residential

Commercial

Industrial

Public Street and Highway lighting

Irrigation

Resale

26

Total kilowatt-hours sold

Residential

Commercial

Industrial

Public Street and Highway lighting

Irrigation

Resale

kWh

2,803,861,504

Maximum Peak Load

585 _____ MW

COMPANY NAME: Arizona Electric Power Cooperative, Inc.

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 15 2011
ACCUTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE Patrick F. Ledger, Executive Vice President and CEO
Company Name: Arizona Electric Power Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

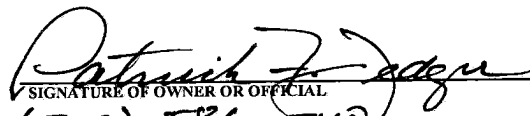
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$199,884,086.39

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 586-5710
TELEPHONE NUMBER

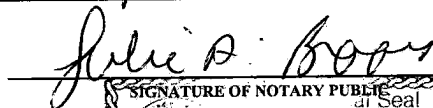
SUBSCRIBED AND SWORN TO BEFORE ME

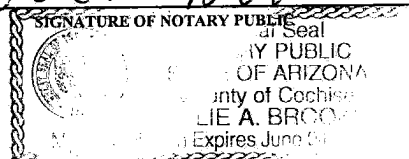
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

(SEAL)

COUNTY NAME <u>Cochise</u>
MONTH <u>April</u> YEAR <u>2011</u>


SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES 6/4/2013

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
APR 18 2011
ACCUITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Cochise	
NAME (OWNER OR OFFICIAL)	Patrick F. Ledger	TITLE Executive Vice President & CEO
COMPANY NAME	Arizona Electric Power Cooperative, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

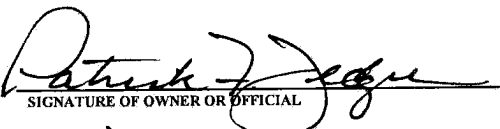
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ _____

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
(520) 586-5110
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

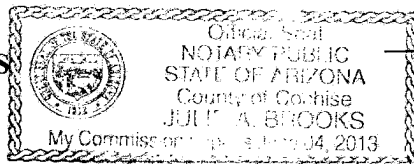
THIS

14th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME	Julie A. Brooks	
COUNTY NAME	Cochise	
MONTH	April	2011


SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2010) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

USDA - RUS		BORROWER DESIGNATION		RUS USE ONLY	
OPERATING REPORT - FINANCIAL ARIZONA ELECTRIC POWER COOPERATIVE, INC.		ARIZONA 28			
		MONTH ENDING December 31, 2010			
SECTION B. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service436,345,918			32. Memberships430		
2. Construction Work in Progress10,790,267			33. Patronage Capital		
3. Total Utility Plant (1 + 2)447,136,185			a. Assigned and Assignable84,514,564		
4. Accum. Provision for Depreciation & Amort.-211,537,129			b. Retired This Year0		
5. Net Utility Plant (3 - 4)235,599,055			c. Retired Prior Years0		
6. Non-Utility Property - Net0			d. Net Patronage Capital84,514,564		
7. Investment in Subsidiary Companies0			34. Operating Margins - Prior Years3		
8. Invest. in Assoc. Org. - Patronage Capital4,388,783			35. Operating Margins - Current Year9,119,432		
9. Invest. in Assoc. Org. - Other - General Funds0			36. Non-Operating Margins1,030,556		
10. Invest. in Assoc. Org. - Other - Non-Gen. Funds10,515,467			37. Other Margins and Equities		
11. Investments in Economic Development Projects0			38. Total Margins & Equities (32 + 33d thru 37)94,664,985		
12. Other Investments0			39. Long-Term Debt - REA (Net)0		
13. Special Funds2,954,025			(Payments-Unapplied \$)-1,527,713		
14. Total Other Property & Investment (6 thru 13)17,858,275			40. Long-Term Debt - REA - Econ. Devel.(Net).0		
15. Cash - General Funds3,839,346			41. Long-Term Debt - FFB - REA Guaranteed142,689,655		
16. Cash - Construction Funds - Trustee47,750			42. Total Long-Term Debt - Other - REA Guaranteed0		
17. Special Deposits727,187			43. Total Long-Term Debt - Other (Net).54,206,168		
18. Temporary Investments8,710,728			44. Total Long-Term Debt (39 thru 43).195,368,110		
19. Notes Receivable - Net0			45. Obligations Under Capital Leases - Noncurrent2,563,182		
20. Accounts Receivable - Sales of Energy (Net)13,812,327			46. Accumulated Operating Provisions and Asset Retir2,172,974		
21. Accounts Receivable - Net1,513,938			47. Total Other Noncurrent Liabilities (45 + 46)4,736,156		
22. Fuel Stock26,305,517			48. Notes Payable9,747,026		
23. Materials and Supplies - Other8,360,203			49. Accounts Payable13,165,441		
24. Prepayments1,383,436			50. Taxes Accrued1,705,992		
25. Other Current and Accrued Assets60,482			51. Interest Accrued2,586,150		
26. Total Current and Accrued Assets (15 thru 25)64,760,914			52. Other Current & Accrued Liabilities1,917,026		
27. Unamortized Debt Disc. & Extraord. Prop. Losses209,675			53. Total Current & Accrued Liabilities (48 thru 52)29,121,635		
28. Regulatory Assets0			54. Deferred Credits4,895,831		
29. Other Deferred Debits10,358,797			55. Accumulated Deferred Income Taxes		
30. Accumulated Deferred Income Tax			56. Total Liabilities and Other Credits		
31. Total Assets & Other Debits (5 + 14 + 26 Thru 30)328,786,716			(38 + 44 + 47 + 53 thru 55)328,786,716		

Note 1: The amounts listed on the Balance Sheet and Operating Report are un-audited and subject to review by AEPCO's external auditors.

USDA-RUS		BORROWER DESIGNATION			
OPERATING REPORT - FINANCIAL		ARIZONA 28			
		BORROWER NAME AND ADDRESS			
		ARIZONA ELECTRIC POWER COOPERATIVE, INC.			
		P.O. BOX 670			
BENSON, ARIZONA 85602					
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions , see RUS Bulletin 1717B-3		PERIOD ENDING	RUS USE ONLY		
31-Dec-10					
CERTIFICATION					
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.					
ALL INSURANCE REQUIRED BY PART 1788 OF 7CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.					
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT		DATE			
SIGNATURE OF MANAGER		DATE			
SECTION A. STATEMENT OF OPERATIONS					
ITEM	YEAR-TO-DATE			THIS MONTH	
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)	
1. Electric Energy Revenues	196,840,103	193,139,562	0	15,785,981	
2. Income From Leased Property - Net	0	0	0	0	
3. Other Operating Revenue and Income	12,312,114	14,237,517	0	1,071,475	
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	209,152,217	207,377,079	0	16,857,456	
5. Operation Expense - Production - Excluding Fuel	11,507,022	13,160,698	0	1,056,235	
6. Operation Expense - Production - Fuel	79,520,400	82,556,364	0	9,126,667	
7. Operation Expense - Other Power Supply	40,710,383	35,805,328	0	962,465	
8. Operation Expense - Transmission	16,188,670	16,083,174	0	1,361,191	
9. Operation Expense - Distribution	0	0	0	0	
10. Operation Expense - Consumer Accounts	0	0	0	0	
11. Operation Expense - Consumer Service & Information	0	0	0	0	
12. Operation Expense - Sales	0	0	0	0	
13. Operation Expense - Administrative & General	11,565,303	11,857,217	0	1,050,855	
14. Total Operation Expense (5 thru 13)	159,491,777	159,462,781	0	13,557,413	
15. Maintenance Expense - Production	18,179,802	17,613,436		1,443,579	
16. Maintenance Expense - Transmission	58,307	4,603	0	58	
17. Maintenance Expense - Distribution	0	0	0	0	
18. Maintenance Expense - General Plant	377,946	266,997	0	22,957	
19. Total Maintenance Expense (15 thru 18)	18,616,055	17,885,037	0	1,466,594	
20. Depreciation & Amortization Expense	8,936,845	9,502,433	0	970,330	
21. Taxes	0	0	0	0	
22. Interest on Long-Term Debt	10,622,133	10,770,431	0	1,001,908	
23. Interest Charged to Construction - Credit	-101,703	-21,865	0	-1,228	
24. Other Interest Expense	924,021	759,149	0	132,342	
25. Other Deductions	113,888	90,653	0	14,334	
26. Total Cost of Electric Service (14 + 19 thru 25)	198,603,016	198,448,618	0	17,141,694	
27. Operating Margins (4 - 26)	10,549,201	8,928,461	0	-284,238	
28. Interest Income	317,305	393,960	0	45,624	
29. Allowance for Funds Used During Construction	0	0	0	0	
30. Income (Loss) from Equity Investments	0	0	0	0	
31. Other Nonoperating Income - Net	-2,085,495	636,596	0	-1,100	
32. Generation & Transmission Capital Credits	0	0	0	0	
33. Other Capital Credits & Patronage Dividends	1,175,941	192,018	0	172,373	
34. Extraordinary Items	0	0	0	0	
35. Net Patronage Capital or Margins (27 thru 33)	9,956,952	10,151,035	0	-67,341	
ITEM	Mills/kWh (Optional Use by Borrower)				
36. Electric Energy Revenue Per kWh Sold	0.00				
37. Total Operation & Maintenance Expense Per kWh Sold	0.00				
38. Total Cost of Electric Service Per kWh Sold	0.00				
39. Purchased Power Cost Per kWh	0.00				